

City of Northville
CITY COUNCIL REGULAR MEETING MINUTES
August 7, 2017

Mayor Roth called the meeting to order with the Pledge of Allegiance at 7:00 p.m. in the City of Northville Municipal Building, City Council Chambers, 215 W. Main Street, Northville, Michigan, 48167.

ROLL CALL

Present: Mayor Ken Roth, Mayor Pro Tem James Allen, Councilmembers Nancy Darga, Sam Ekong, and Marilyn Price

Absent: None

Also Present: City Manager Patrick Sullivan, City Clerk Dianne Massa, Finance Director/Treasurer Sandi Wiktorowski, Fire Chief Steve Ott, and one citizen

Mayor Roth read a statement informing those present that the City Council meeting was being recorded for rebroadcast on the City's website. By remaining at the meeting, consent is inferred by those present to have their voice and image recorded and posted on the City's website.

PRESENTATIONS

A. Citizens Comments None

APPROVAL OF AGENDA AND CONSENT AGENDA

Special Events Application / Northville Downs / Drone Race 3C Finals was added to the agenda under New Business as A-1. Proposed Banking Services was renamed to A-2.

Motion Allen, seconded by Darga to approve the agenda and consent agenda as amended.

Approve City Council Minutes of:

- Regular Meeting of July 5, 2017
- Regular Meeting of July 17, 2017

Receive Bills List:

- Accounts Payable Week of July 17, 2017
- Accounts Payable Week of July 31, 2017

Receive Board and Commission Minutes: None

Receive Departmental Reports:

- Youth Assistance: 8/17

Board and Commission Appointments: None

Special Event Request / 3rd Grade Heritage Festival Activities / September 15, 2017

Special Event Request / High School Homecoming Parade / September 22, 2017

Halloween Trick-or-Treat Hours and Street Closures / October 31, 2017

Request to Dispose of Assets / Automark Election Equipment

Motion carried unanimously.

NEW BUSINESS

A-1. Special Event Application

Northville Downs – 2017 Drone Racing MultiGP Regional 3C Finals

Mike Carlo from Northville Downs briefly described the event. The drone races will be held at the infield and away from the general public. This is a free event, open to the public, and considered a family-friendly event. The event will be set up as far away from St. Lawrence Estates as possible to minimize noise. Northville Downs is zone Race Track and the Zoning Ordinance requires City Council approval of any non-racing event.

City Council Comments and Discussion: In response to questions, it was explained that the noise level is similar to that of a lawnmower. The drones will race at a level of about 20 feet as a “time trial.” The drones will not be doing observations as this is a race event. The drones cannot be seen from the street due to the low flight level and should not create traffic and driver distractions.

Motion Allen, seconded by Darga to approve the special events application submitted by Northville Downs for the 2017 MultiGP Regional 3C Finals, including the event date of August 26, 2017 and a rain date of August 27, 2017. **Motion carried unanimously.**

A-2. Bid Award

Banking Services

Since the 1980s, the City has utilized Comerica Bank for its banking needs. It is unknown when the City last received proposals for banking services. On June 28, 2017, the City received four Requests for Proposals (RFP) for banking services. The RFP stipulated that the contract was for a five-year period with an option to extend another five years. The fees include account maintenance, fraud protections, tax and utility lockbox services, reporting, and online services. The fees are based upon projected annual volumes provided by the City.

Staff evaluated the proposals based upon the financial strength and capacity of the banking institution, completeness and quality of the proposal, and price of the proposal, summarized as follows:

- **Level One Bank \$34,151.13** – This bank was the highest bidder and the fees will increase 5% every two years. S&P and Moody’s does not rate this bank as they are too small. A minimum balance of \$5 million is required, which is not acceptable to the City.
- **Flagstar Bank \$22,274.95** – This bank was the second highest bidder and fees may increase up to 5% after five years. Flagstar’s credit rating was withdrawn in 2009 when they had significant financial difficulties. In 2012, Flagstar was placed under a FDIC Consent Order due to issues identified by the FDIC. That consent order was lifted in 2016.
- **Huntington Bank \$12,893.75** – This bank is the lowest bidder. The bid only contained fees for the first three years and starting in year four, the fees are to be negotiated. The bid failed to provide costs for some of the lockbox services identifying them as “pass through costs.” The bid also listed one of the City’s key services as an “optional item,” and did not provide pricing for the item. Staff considers this an incomplete bid and disqualified it.
- **Comerica Bank \$21,710.70** – This bank was the lowest qualified bidder. They will hold their fees for the duration of the contract, including the five-year extension. Comerica is the only bank that submitted a bid that is located with the City limits.

Staff is recommending that the City continue business with Comerica Bank. They have been the City's bank since at least the 1980s and Staff is pleased with performance and service levels. The current fees are estimated at \$48,000 annually. Comerica's proposed fees are estimated to achieve a savings of approximately \$26,000 annually.

Motion Allen, seconded by Darga to award the banking services bid to Comerica Bank with an estimated annual cost of \$21,710.70 for a period of five years, with an option to extend for another five years if mutually agreeable by the Bank and City Staff. **Motion carried unanimously.**

B. Interlocal Agreement Oakland County Investment Pool

The City's investment policy was adopted by City Council in 1998, and was amended in 2005, 2006, and 2015. The three objectives listed in the City's Investment Policy are as follows:

- Safety – protection of investment capital
- Liquidity – portfolio shall remain sufficiently liquid to meet all operating requirements
- Return – optimize earnings using conservative techniques

The Finance Director/Treasurer is designated as the City's investment officer. This responsibility may be delegated to a qualified investment advisor with approval of the City Manager and City Council. The City has been utilizing the services of an investment manager since 2005, most recently with PFM Asset Management LLC (PFM).

In order to further diversify the City's portfolio and to optimize earnings, Staff recommended establishing an account with the Oakland County Investment Pool. Information on the Pool was provided to City Council for review. The Pool was formed under PA 121 of 1985, also known as the Local Government Investment Pool Act. It complies with all statutory requirements of PA 20 of 1943, which states the type of instruments the City can invest in.

Staff received feedback from several other communities that participate in this Pool and they are satisfied with the service and performance. The investment pool agreement was reviewed by the City Attorney and found to be acceptable. Uninvested funds of \$750,000 will be deposited into the account once it has been opened. Pool participants are charged an annual management fee of 0.037%, which is deducted from the earnings prior to distribution to participants.

City Council Comments and Discussion: In response to questions, further explanation was given pertaining to how the fund works. On paper, the City's money is separate. The money is invested in a pool with the other participating communities. Interest earned is deposited into the City's established account and reinvested. The investment pool is managed by Oakland County. The City may cancel the agreement with one day's notice.

Motion Darga, seconded by Allen to adopt a resolution and authorize the Finance Director/Treasurer to sign the agreement establishing an account with the Oakland County Investment Pool. **Motion carried unanimously.**

C. Purchase of 800 MHz Digital Pagers

The City's paid on-call Fire Department relies on pagers issued to Fire personnel to alert them to calls. In 2009, the Department began use of 800 MHz digital radios operating on the State of Michigan Public Safety Communications System (MPSCS) for communications. These radios provide better coverage and greater interoperability with other agencies and departments than the previous VHF radios. At that time, however, the technology to support 800 MHz digital paging did not exist. As a result, the Fire Department continued to use the VHF pagers.

This hybrid system, relying on VHF for paging and 800 MHz for all other communications, has produced a number of issues. Fire Department personnel is not able to hear all transmissions over the pagers. As the area of responsibility has increased to include Plymouth, and the use of two dispatch centers (Plymouth Township and Northville Township), not all of the Fire Department personnel are able to receive all of the calls on the VHF pagers. The dispatch centers maintain the VHF radio equipment solely for paging purposes, and the equipment is aging, obsolete, and subject to failures. In addition, the current VHF pagers are no longer made, and no longer supported by the manufacturer.

Unication has developed an 800 MHz pager. The State of Michigan, through the MPSCS, is supporting the deployment of this new technology to the paid on-call fire service, and it was recently put into service throughout Washtenaw and St. Clair Counties. The Fire Department tested the technology in the Northville/Plymouth service area, and believe that it will help complete the transition to 800 MHz communications.

The Fire Department obtained a quote from Digicom Global, for 60 Unication G4 P25 pagers, at a price of \$535.50 each, for a total of \$32,130. The quote indicates this price reflects the State bid price, and is the lowest price at which Unication will allow the pagers to be sold. The Fire Department confirmed with other sources that this represents the lowest available price. It is proposed that the Department also purchase 60 charger bases for recharging the pagers at a cost of \$89 per pager, for a total of \$5,340. Shipping fees are quoted at \$420.

It was also noted that a manufacturer promotion for pagers purchased in August and September offers a free three-year extended warranty. This is valued at \$116 per pager for a total savings of \$6,690. As such, the Fire Department will receive an additional three-year warranty at no cost.

In addition to the cost of the pagers, the Fire Department must pay the State of Michigan to set up three paging talk groups at each of the dispatch centers (one each for Station 1, Station 2, and the All Call). This involves a one-time cost of \$1,500 per talk group, for a total of \$4,500.

Pagers are included in the Fire Department capital equipment replacement schedule, and are not currently slated for replacement until FY2020. Not all pagers were replaced at the last scheduled replacement, and as a result, the Department is operating with a large number of pagers that have not been replaced since the previous scheduled replacement. This has caused increased maintenance costs, and coupled with the other issues discussed above, suggests that it would be prudent to move-up the scheduled replacement of the pagers. The Fire Department will move funds currently in the Equipment Replacement Fund to cover these costs.

Analysis shows that there is an after-market for the VHF pagers. Once in service, the Fire Department will seek City Council approval for the sale of the VHF pagers, with any proceeds to be returned to the Equipment Replacement Fund.

City Council Comments and Questions: In response to questions, it was explained that the charger bases will go home with the firefighters. The pager and chargers remain as City property. The Fire Department is purchasing 60 units as this is its authorized personnel strength. The current staffing level is 54 fire personnel.

Motion Darga, seconded by Allen to waive the sealed bid process and approve the purchase of 60 Unication G4 P25 voice pagers, with a three-year extended warranty, and 60 charger bases; accept the quotation from Digicom Global in the amount of \$37,890, and authorize the expenditure of \$4,500 to the State of Michigan for the addition of three paging talk groups at each dispatch center. **Motion carried unanimously.**

MAYOR AND COUNCIL COMMUNICATIONS

A. Mayor and Council Communications

Roth acknowledged the thank you note from recently retired Youth Assistance Director Sue Campbell.

B. Staff Communications None

Being no further business, the meeting was adjourned.

Adjournment: 7:28 p.m.

Respectfully submitted,

Dianne Massa, CMC
City Clerk

Ken Roth
Mayor

Approved as submitted: 08/21/17